

September 28, 2004

James T. Jensen, Vice President
Savage Industries, Inc.
6340 South 3000 East, Suite 600
Salt Lake City, Utah 84121

Re: Conditional Approval of Addition of Three Conveyors, Savage Services Corporation, Savage Loadout, C/007/0022, Task ID #2035, Outgoing File

Dear Mr. Jensen:

The above-referenced amendment is conditionally approved upon receipt of three clean copies prepared for incorporation. Please submit these copies by October 28, 2004. Once we receive these copies, final approval will be granted, at which time you may proceed with your plans.

A stamped incorporated copy of the approved plans will also be returned to Dan Guy at that time, for insertion into your copy of the Mining and Reclamation Plan. A copy of our Technical Analysis is enclosed.

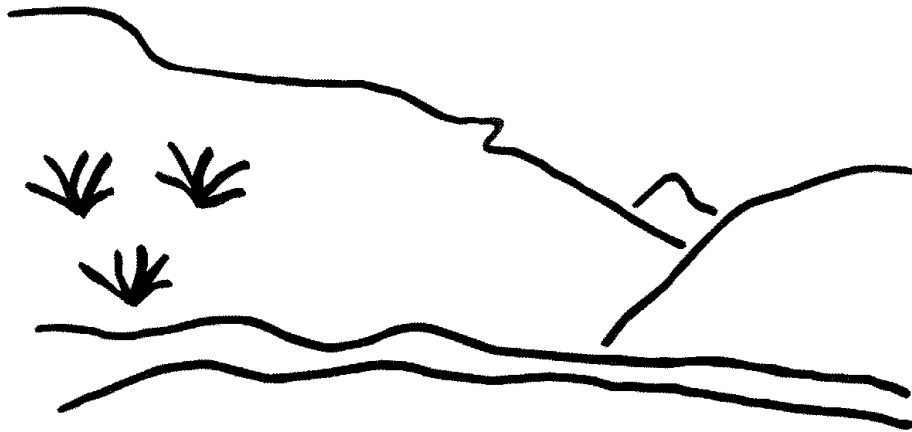
If you have any questions, please feel free to call me at (801) 538-5268 or Stephen J. Demczak at (435) 613-1146 Ext. 202.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

SJD/sd
Enclosure
cc: Dan Guy, Blackhawk
Boyd Rhodes, Savage
Price Field Office
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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Savage Loadout
Addition of Three Conveyors
C/007/0022
Task ID #2035
Technical Analysis
September 17, 2004

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TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977 (SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

The permittee has requested the installation of three conveyor belts at the Savage Loadout. These conveyors will be used to transfer coal from stockpiles to the railroad loading facilities. This will make the coal yard more efficient in handling high volumes of coal.

The amendment will include the extension of an existing culvert and the elimination of a ditch.

Bonding for the additional structures will be minimal and is already covered in the contingency in the bond.

INTRODUCTION

OPERATION PLAN

OPERATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Topsoil Removal and Storage

The area for construction is in the disturbed area and the topsoil has been removed.

Findings:

The permittee has met the minimum requirements of this section.

VEGETATION

Regulatory Reference: R645-301-330, -301-331, -301-332.

Analysis:

The area for construction is in the disturbed area and the vegetation has been removed.

Findings:

The permittee has met the minimum requirements of this section.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

Diversions: General

The permittee has submitted an amendment to connect culvert C-8 with C-26. These culverts are covered. Culvert C-26 will be eliminated and become part of culvert C-7. The current plan has a diversion connecting the culverts. The culverts are needed since a conveyor belt will be installed above the culverts. The installation of the belt conveyors will not change the water flow to the sediment ponds. All water in this area will still report to the sediment pond. This request will not change any hydrologic controls.

The permittee has updated the design calculations using Manning's Equation. This design is P.E. certified. The permittee will install an 18-inch connecting culvert to the existing 18-inch culverts that are located at each end.

Findings:

The permittee has met the minimum requirements of this section.

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis:

The permittee has revised the conveyor belt map location and text. These are pages 3-28 and 3-29 in the Mining and Reclamation Plan.

Findings:

The permittee has met the minimum requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

OPERATION PLAN

The permittee has updated the Facilities Map 3-2 showing the location and the connecting of the two culverts. This map is P.E. certified.

Certification Requirements

The permittee has P.E. certified design calculations and facilities map.

Findings:

The permittee has met the minimum requirements of this section.

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The reclamation of the three conveyors will be easily performed. The conveyors are bolted together in sections and can be hauled away.

The culverts will be in shallow ground and can be removed with little effort.

There will be little or minimal change to the existing ground contour.

Findings:

The permittee has met the minimum requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The total projected cost for the Transfer Conveyor Addition is \$14,332.40. The Savage Coal Terminal is presently bonded for a total of \$2,525,000. Included in the bond is a contingency of \$126,000. The amendment will account for 11.35% of the contingency. Therefore, the permittee has sufficient amount of bond to cover the cost of reclamation for this project.

Findings:

The permittee has met the minimum requirements of this section.